

MONTHLY REVIEW

OF AGRICULTURAL AND BUSINESS CONDITIONS IN THE NINTH FEDERAL RESERVE DISTRICT

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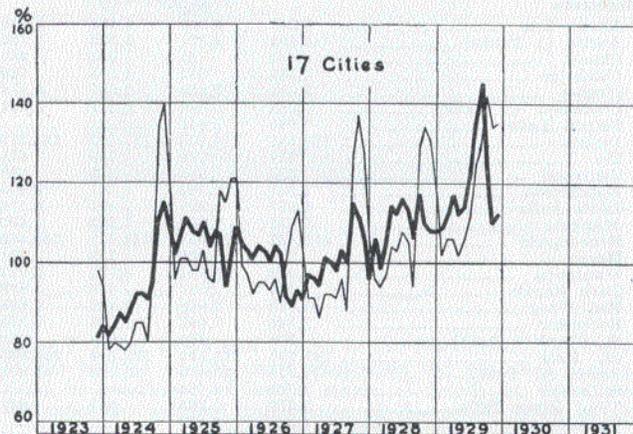
DISTRICT SUMMARY OF BUSINESS

The volume of business in the district during November was about as large as in November last year. Debits to individual accounts were 3 per cent larger than in November a year ago, with increases occurring at Minneapolis, St. Paul, South St. Paul and several of the other cities in the district, especially in rural Minnesota and southeastern South Dakota. Decreases in individual debits predominated in Montana, North Dakota, the Head-of-the-Lakes and the lumbering and mining regions. Only twenty-five cities out of the sixty-eight reporting cities showed increases in individual debits over the figures for November last year. This is the smallest number of cities showing increases which has occurred during the present calendar year.

Daily Averages of Debits to Individual Accounts Shown as Percentages of the Corresponding Periods in 1928

	First Quar.	Sec. Quar.	Third Quar.	Oct. 1929	Nov. 1929
Duluth	105	90	127	69	86
Minneapolis	114	100	128	108	110
St. Paul	104	103	110	104	105
South St. Paul.....	97	110	102	103	103
Rural Minnesota ...	104	105	111	111	104
Montana	115	116	124	94	95
No. Michigan	115	109	107	104	99
North Dakota	115	111	105	93	84
South Dakota	110	108	108	105	103
N. W. Wisconsin...	107	113	109	94	92
Ninth District	110	103	120	100	103

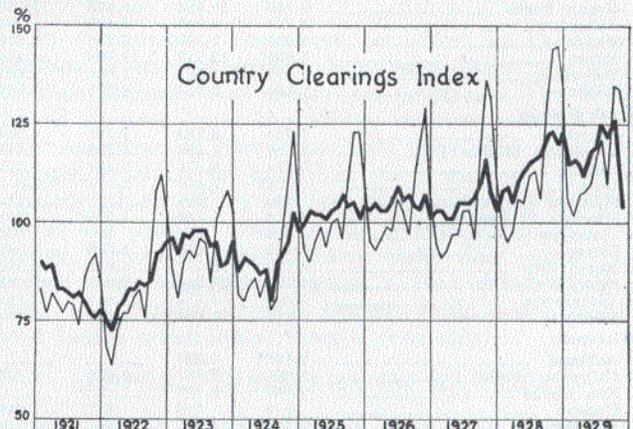
Freight traffic in November in the northwestern district was 9 per cent below the totals for November last year, with decreases occurring in carloadings of grains and grain products, forest products, ore and miscellaneous freight. The country check clearings index was 13 per cent lower in November this year than in November a year ago. Postal receipts, flour shipments, building contracts, life insurance sales, department store sales and wholesale trade were larger in November than in the same month last year. Building permits, shipments of linseed products, flour production, country lumber sales and copper and iron mining activity were under last year's figures in November. In spite of the small shipments of iron ore during October and November, the season's total of iron ore shipments



Debits to Individual Accounts in Seventeen Cities in the Ninth Federal Reserve District. The heavy curve is adjusted to eliminate seasonal changes; the light curve represents unadjusted figures as percentages of the average month.

made a new high record of 65,204,000 tons. Business failures were fifty-three in number during November, as compared with fifty-five in November last year, according to the reports of R. G. Dun & Company.

During the first half of December, debits to individual accounts at seventeen cities were 4 per cent larger than in the corresponding period last



Country Check Clearings Index for the Ninth Federal Reserve District. The light curve represents figures without seasonal adjustments. The heavy curve represents figures with seasonal adjustments.

DEBITS TO INDIVIDUAL ACCOUNTS IN THE NINTH FEDERAL RESERVE DISTRICT (November, 1929, with comparisons)

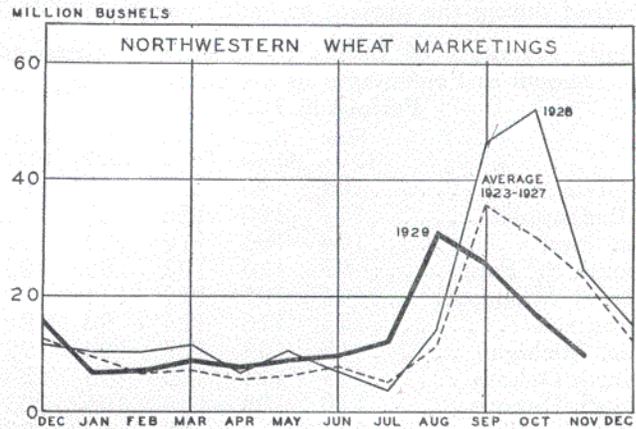
Number of Business Days:	November 1929		October 1928	
	1929	1928	1929	1928
Wisconsin	25	27	24	27
Montana and North Dakota	24	26	23	26
Other States in District	24	27	23	27
(000's omitted)				
Michigan				
Escanaba (1 Bank)	\$ 913	\$ 996	\$ 884	\$ 1,043
Hancock	2,135	2,107	2,170	2,568
Houghton (1 Bank)	657	771	.....	.....
Iron Mountain	4,097	4,626	4,360	4,273
Iron River, Caspian and Stambaugh	1,720	1,825	1,339	1,574
Manistique (1 Bank)	550	524	.....	.....
Marquette	5,868	6,228	5,030	6,062
Menominee	3,155	3,575	3,304	3,331
Sault Ste. Marie	3,050	3,516	2,765	3,171
Minnesota				
Albert Lea	3,349	3,538	2,451	2,506
Austin (2 Banks)	4,593	4,874	5,928	4,732
Chaska	948	759	846	652
Chisholm	1,185	914	1,148	788
Cloquet	3,071	2,659	2,387	2,474
Crookston (1 Bank)	1,253	1,533	1,377	1,432
Detroit Lakes	940	1,141	.....	.....
Duluth	104,645	113,133	117,112	163,279
Ely	777	740	706	671
Glenwood	531	555	545	568
Hutchinson	1,925	1,545	1,341	1,475
Little Falls	1,557	1,320	1,494	1,134
Mankato	7,426	7,895	7,213	7,400
Minneapolis	538,583	613,652	468,611	567,042
Morris	721	823	723	771
Owatonna	2,982	3,311	2,731	2,923
Park Rapids	459	527	603	602
Red Wing	2,719	2,908	2,482	2,692
Rochester	7,166	7,007	7,109	7,258
St. Cloud (1 Bank)	509	480	569	453
St. Paul	201,605	211,192	183,886	203,685
South St. Paul	45,915	47,499	42,538	45,892
Stillwater	2,900	4,064	.....	.....
Thief River Falls	1,476	1,289	957	987
Virginia	2,555	2,468	.....	.....
Wabasha	800	972	775	937
Wadena	1,873	1,471	1,352	1,347
Wheaton	727	706	.....	.....
Willmar	1,854	2,235	.....	.....
Winona	9,277	9,193	8,360	9,097
Worthington (1 Bank)	887	977	847	896
Montana				
Billings	11,478	14,523	11,779	15,282
Bozeman	2,976	3,499	2,845	3,500
Butte (2 Banks)	15,202	15,715	14,501	14,817
Deer Lodge	1,353	1,405	1,606	1,478
Glendive	1,617	1,898	1,654	2,452
Great Falls	21,674	24,937	21,679	26,259
Helena	12,062	12,263	10,669	13,885
Lewistown	3,178	3,808	4,558	4,849
Miles City (1 Bank)	2,984	3,636	3,505	4,290
North Dakota				
Bismarck	5,034	6,442	5,071	5,866
Devils Lake	2,208	2,820	2,508	3,117
Dickinson	1,570	2,038	2,295	2,357
Fargo	19,886	24,590	21,417	27,219
Grand Forks	9,160	10,654	10,173	12,769
Jamestown	2,854	4,052	3,425	3,705
Mandan	2,039	2,341	2,255	2,526
Minot	8,639	12,117	11,723	13,424
Wahpeton	1,157	1,507	1,064	1,387
Williston	2,120	3,353	2,297	3,103
South Dakota				
Aberdeen	7,329	8,784	7,791	9,382
Brookings (1 Bank)	1,304	1,486	1,298	1,544
Huron	5,824	6,476	5,454	6,357
Lead	1,175*	1,406	1,150*	1,401
Madison (1 Bank)	980	999	.....	.....
Mitchell (2 Banks)	4,706	5,143	4,190	4,792
Mobridge	854	898	997	1,069
Pierre	1,580	1,646	1,549	1,747
Rapid City	4,712	6,176	4,628	6,985
Sioux Falls	22,190	24,710	19,369	21,698
Watertown	5,240	5,664	5,011	4,850
Yankton (4 Banks)	2,576	2,918	2,291	2,530
Wisconsin				
Ashland	2,000*	1,237	.....	.....
Chippewa Falls	2,600	3,077	2,836	2,947
Eau Claire	7,964	8,681	.....	.....
Hudson	622	658	617	616
LaCrosse	12,700	14,532	12,900	14,195
Merrill (1 Bank)	1,406	1,586	1,473	1,604
Superior	8,632	9,470	9,294	11,946

Total for all Cities Reporting
 Both Years \$1,178,265 \$1,312,894 \$1,099,815 \$1,310,112
 *Estimated.

year, but country check clearings were 13 per cent smaller than last year's figures, and the daily average of building contracts awarded was only \$125,600, as compared with \$153,100 which was the daily average for December, 1928.

DISTRICT SUMMARY OF AGRICULTURE

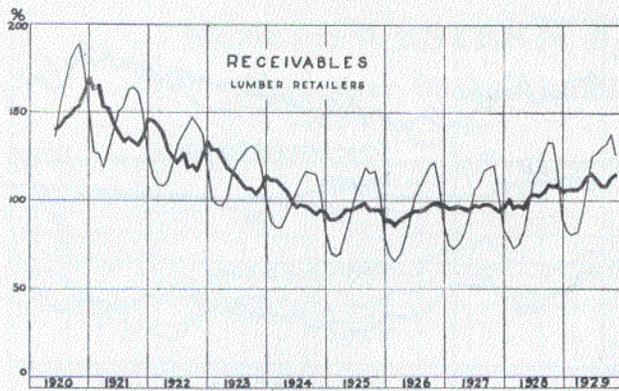
After the passing of the heavy marketing period of the 1929 wheat crop, attention may be again directed to the peculiarity of the marketing movement this fall. The peak of the marketing movement occurred in August instead of in September or October as in former years. This early peak of marketing was partly due to the heavy carry-over from the 1928 crop which came to market in July and August, and partly to the early harvest season this year and the greater use of combine harvesters in the Northwest. Although the northwestern wheat crop was small this year, the early wheat marketing created unusually large business totals in July and August, and afforded an opportunity for early repayment of debt this fall. Borrowings from this Federal Reserve Bank by banks in the spring wheat belt began to decline after the middle of July, although usually they continue to increase until the latter part of August. Similarly, the accounts receivable of reporting country lumber yards in the Northwest showed a smaller increase than usual during August and September.



Marketings of Northwestern Wheat at Minneapolis and Duluth-Superior, excluding southwestern wheat and duplications in the record of receipts.

More recently the smallness of the crop has had an adverse effect on business. This is indicated by reductions in debits to individual accounts and other series reflecting the volume of business in the spring wheat belt, and by an earlier than usual winter upturn of Federal reserve loans to banks in the spring wheat belt.

A normal proportion of the 1929-30 wheat supplies in the Northwest had been marketed by the end of November. The wheat supplies for the current year may be computed by adding to the four-state crop the stocks of wheat carried over from the preceding crop and deducting the quantity of wheat required for seed in the succeeding spring.



Accounts and Notes Receivable of Country Lumber Retailers at the end of each Month, 1920-1929. The heavy curve is adjusted to eliminate seasonal changes. The light curve represents unadjusted figures as percentages of the average month.

By November 30, wheat marketings during the current crop year amounted to 52 per cent of the marketable wheat supply, as compared to 53 per cent on the corresponding date last year and a four-year average percentage for the same date of 52 per cent. The following table gives the detailed figures from which these percentages were computed.

Northwestern Wheat Supplies and Marketings

(In bushels, 000's omitted)

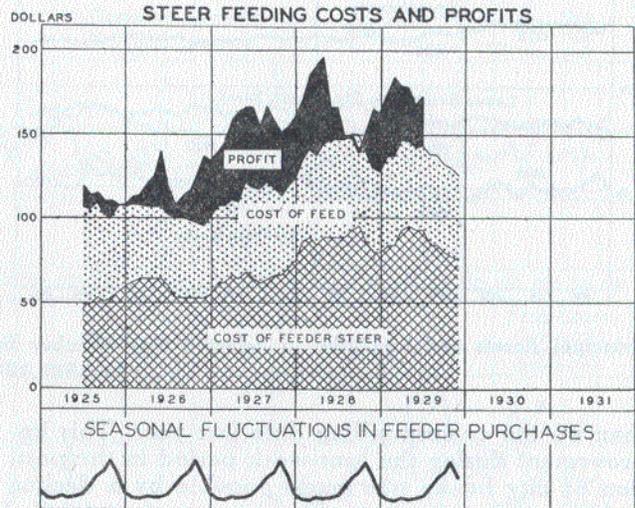
	1925	1926	1927	1928	1929
Four-state Crop	209,503	158,247	276,710	278,642	177,828
July 1 Stocks on Farms..	10,413	6,076	6,096	8,878	18,195
July 1 Stocks in Country					
Mills and Elevators....	10,000*	8,000*	8,183	7,890	15,935
Total Wheat Supplies....	229,916	172,323	290,989	295,410	211,958
Used for Seed.....	25,604	28,344	29,195	27,546	28,000*
Available for Marketing and Feed	204,312	143,979	261,794	267,864	183,958
Marketed at Minneapolis and Head-of-Lakes July- November	100,899	69,441	152,158	141,066	95,509
Per cent Marketed July- November	49%	48%	58%	53%	52%

*Estimated

The hog situation at the end of November was complicated by conflicting forces. Stocks of pork and other meats were larger than a year ago and larger than the five-year average, but the spring pig crop was smaller this year than a year ago. November hog prices at South St. Paul were 3 per cent higher than in the same month last year. The corn yield, especially in southeastern South Dakota, was better in the Northwest than the average United States yield in 1929.

More cattle were shipped into the corn belt feeding states this fall than in any of the preceding four years. Prices of feeder cattle have been lower this fall than a year ago. The cost of a nine hundred pound feeder steer at South St. Paul, together with sufficient feed for a five-months' feeding period, averaged \$131 during September, October and November this year. Last year during the same months the average was \$141. In other words, from the standpoint of costs, the cattle feeder has a ten dollar advantage this year over a year ago. The

history of cattle feeding profits per head in recent years is shown in the accompanying chart. At the bottom of the chart is illustrated the seasonal fluctuations in feeder steer buying to indicate the relative importance of the profit index at different times of year.



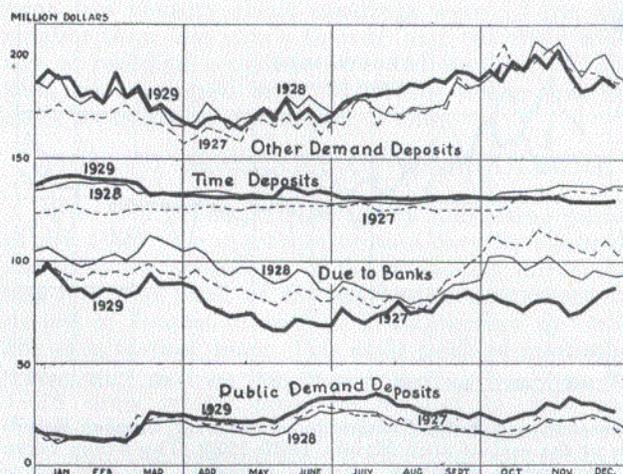
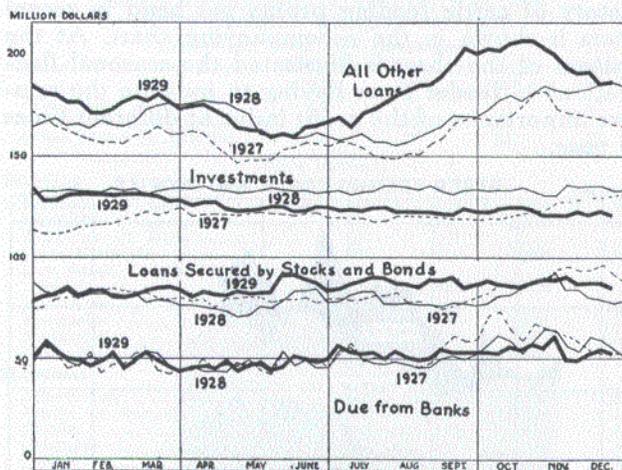
Steer Feeding Costs and Profits in the Northwest. The curve at the bottom of the chart illustrates the seasonal fluctuations in purchases of feeder steers at South St. Paul, and indicates the relative importance of the profit index at different times of year.

Butter prices declined during November contrary to the usual seasonal trend and were eight cents a pound lower than a year ago. Stocks of butter in the United States on December 1 totaled 111,617,000 pounds, which was 41 million pounds more than storage holdings last year and 33 million pounds more than the five-year average on the same date. Furthermore, the seasonal reduction in stocks of butter during November was smaller this year than in other recent years, indicating that a larger than usual proportion of consumption requirements were being supplied from current production.

In November, decreases occurred in the farm income from cash grains, hogs and dairy products, and an increase was shown for potatoes. The combined income from the above sources was 29 per cent less than in November last year. Our monthly record of dairy income has been moved forward one month to reflect the fact that payments for butterfat are usually made in the month following delivery. Prices of wheat, corn, oats, flax, eggs, potatoes and hogs were higher in November than a year ago. Prices of rye, butter, milk, hens, cattle and lambs were lower than a year ago.

DISTRICT SUMMARY OF BANKING

City banks in this district were able to reduce their borrowings from this Federal Reserve Bank by 9 million dollars during the four weeks ending December 18. The borrowings of these city banks on the latter date were only 9 million dollars larger



Principal Assets and Liabilities of Selected City Member Banks in the Ninth Federal Reserve District, as Reported Weekly in 1927, 1928 and 1929.

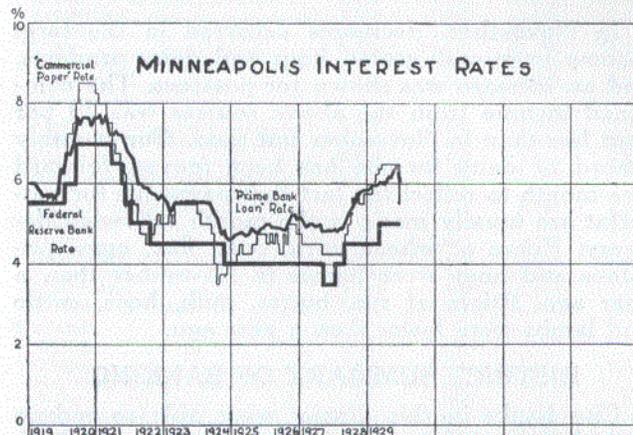
than on the corresponding date last year. This improvement during the four-week period in the position of city banks was made possible by a decline in loans to customers and an increase in total deposits. Investment holdings of these city banks increased slightly during the four-week period. On December 18, investments and total deposits of these city banks were lower than a year ago and commercial loans were about as large as last year's total.

Analyzing changes in deposits of city banks by classes, decreases occurred in deposits of public funds, deposits "due to banks" increased and other deposits showed little change during the four weeks ending December 18. On the latter date, all classes of deposits, except public funds, showed decreases from last year's figure.

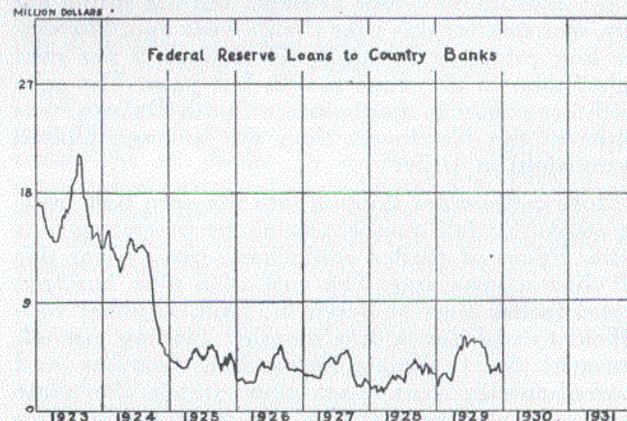
In the Minneapolis money market, the larger commercial banks reduced their average interest rates to prime customers one-half of 1 per cent dur-

ing the month ending December 15. The commercial paper rate declined 1 per cent during the month of November, which was the largest decrease in any one month during the post-war period. This drop in the commercial paper rate brought this rate back to its customary position between the commercial bank lending rate and the Federal reserve bank discount rate. The discount rate of the Minneapolis Federal Reserve Bank remained unchanged at 5 per cent.

Country member banks experienced a reduction of 1 per cent in deposits during November. This reduction cancelled more than half of the seasonal gain which had been added to their deposits during the preceding two months. In November, their deposits were 6 per cent lower than a year ago. Country bank borrowings outside of the larger city banks increased from the seasonal low point reached on October 16 to a minor peak on November 27. This increase was practically cancelled during the succeeding two weeks. On December 18, country member banks in this district were borrowing only \$252,000 more than a year ago at the same time.



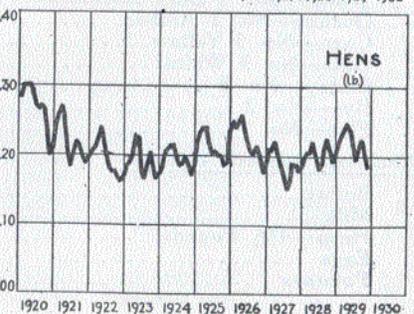
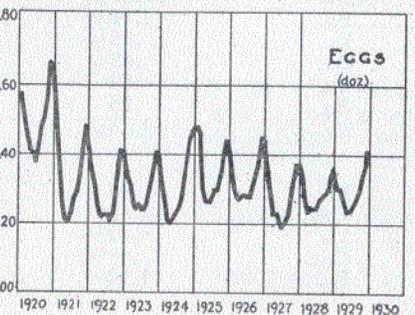
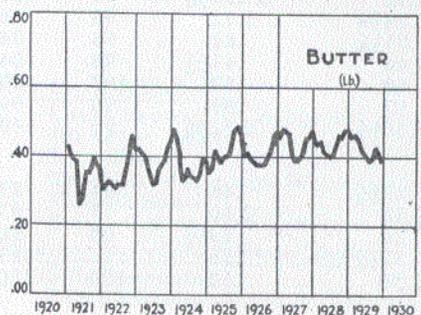
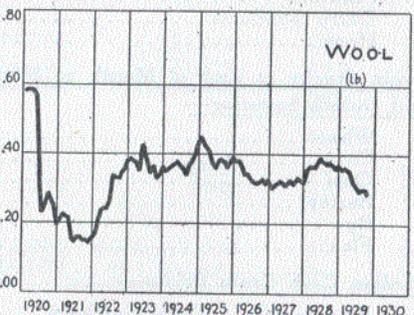
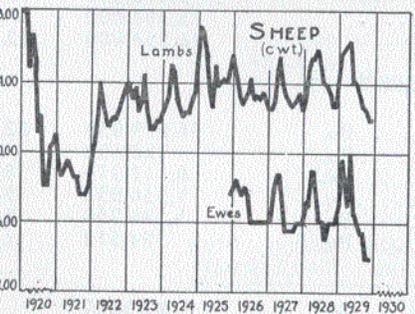
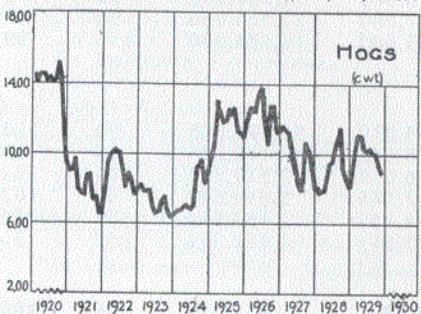
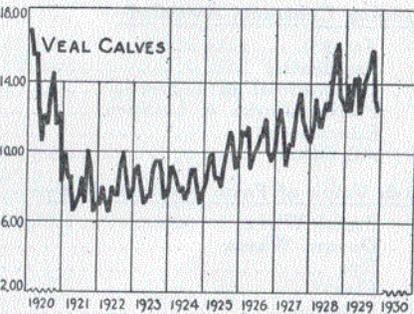
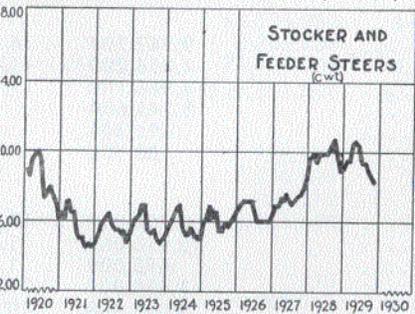
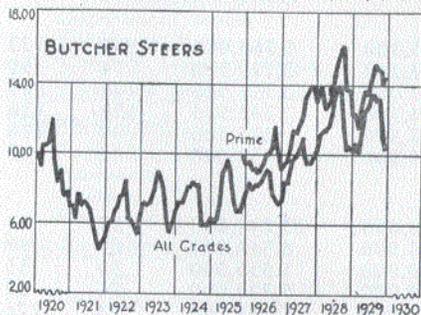
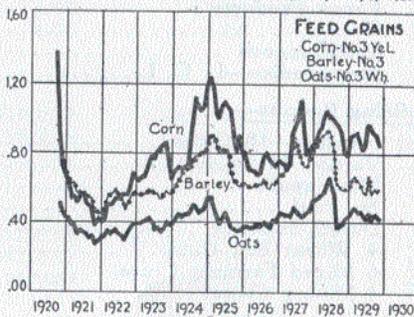
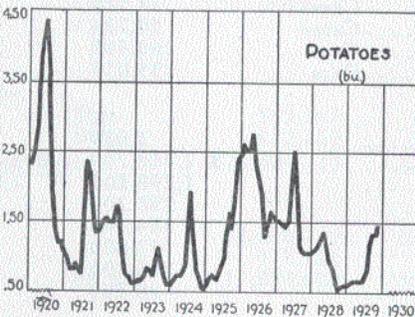
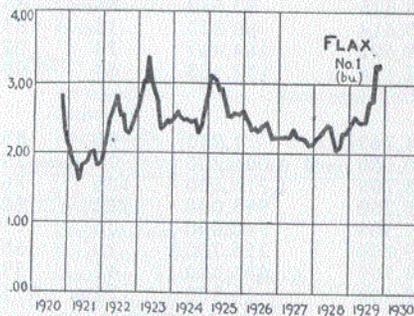
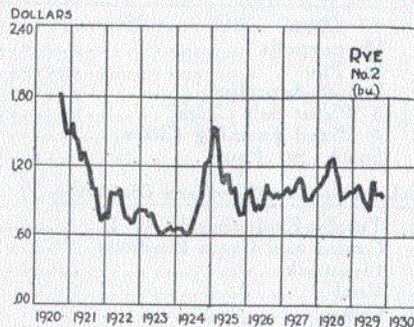
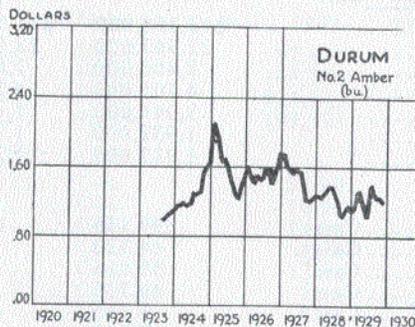
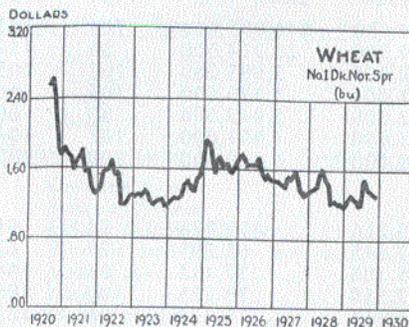
Interest Rates at Minneapolis on Prime Bank Loans and Commercial Paper and the Discount Rate at the Federal Reserve Bank, 1919-1929.



Federal Reserve Loans to Country Banks in the Ninth Federal Reserve District.

NORTHWESTERN FARM PRODUCT PRICES

(Price per bushel, hundredweight, pound or dozen)

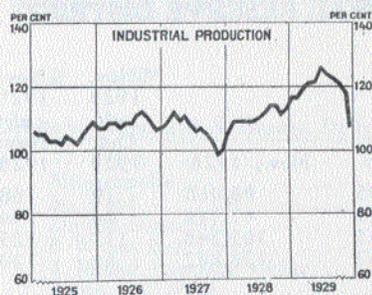


COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT

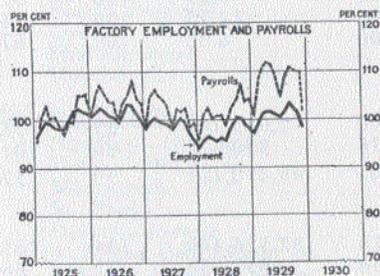
	Nov., 1929	Oct., 1929	Nov., 1928	%Nov. 1929 of Oct. 1929	%Nov. 1929 of Nov. 1928
Debits to Individual Accounts, Daily Averages—Unit					
17 Cities	\$42,358,000	\$42,034,000	\$40,935,000	101	103
Minneapolis	22,367,000	22,599,000	20,314,000	99	110
St. Paul	8,400,000	7,822,000	7,995,000	107	105
Duluth-Superior	4,705,000	4,541,000	5,479,000	105	86
8 Wheat Belt Cities	3,041,000	3,412,000	3,447,000	89	88
4 Mixed Farming Cities	1,932,000	1,901,000	1,851,000	102	104
South St. Paul	1,913,000	1,759,000	1,849,000	109	103
Carloadings—Northwestern District—					
Total—Excluding L. C. L. Cars	399,155	605,216	439,970	66	91
Grains and Grain Products	44,320	57,645	65,795	77	67
Livestock	39,066	45,188	37,432	86	104
Coal	40,715	37,350	38,275	109	106
Coke	6,665	6,941	5,474	96	122
Forest Products	57,510	68,876	67,662	83	85
Ore	50,774	159,614	60,871	32	83
Miscellaneous	160,105	229,602	164,461	70	97
Merchandise—L. C. L. Cars	135,859	152,174	137,463	89	99
Building Permits—					
Number—18 Cities	1,029	1,763	1,233	58	83
Value—18 Cities	\$ 2,988,700	\$ 3,870,100	\$ 4,006,200	77	75
Minneapolis	1,298,200	1,028,700	1,715,200	126	76
St. Paul	798,200	715,200	995,000	112	80
Duluth-Superior	384,100	512,300	340,000	75	113
4 Wheat Belt Cities	173,800	927,000	255,700	19	68
6 Mixed Farming Cities	266,200	594,500	683,800	45	39
4 Mining Cities	68,200	92,400	16,500	74	413
Building Contracts Awarded—					
Total	9,967,300	4,295,200	5,764,000	232	173
Residential	1,056,200	1,423,700	2,119,300	74	50
Commercial & Industrial	4,986,100	1,005,000	2,173,500	496	229
Public Works & Utilities	3,245,600	904,100	743,900	359	436
Educational	491,300	497,500	275,300	99	178
All Other	188,100	464,900	452,000	40	42
Cash Value of Farm Products Sold—					
Bread Wheat	10,206,000	19,100,000	23,240,000	53	44
Durum Wheat	3,510,000	5,363,000	8,916,000	65	39
Rye	855,000	1,440,000	1,555,000	59	55
Flax	3,639,000	10,179,000	5,828,000	36	62
Potatoes	3,002,000	10,716,000	1,701,000	28	176
Dairy Products	15,388,000	17,117,000	17,305,000	90	89
Hogs	16,554,000	12,295,000	16,686,000	135	99
Grain Stocks at End of Month at Minneapolis and Duluth-Superior—					
Wheat	56,679,933	62,673,039	50,776,608	90	112
Corn	22,602	78,648	115,690	29	20
Oats	8,117,714	8,016,011	2,517,615	101	322
Barley	5,536,832	5,612,145	3,034,047	99	182
Rye	5,596,758	5,531,452	2,187,534	101	256
Flax	594,518	1,125,993	1,632,946	53	36
Median Cash Grain Prices—					
Wheat—No. 1 Dark Northern	\$1.30½	\$1.32	\$1.23¾	99	106
Durum—No. 2 Amber	1.18½	1.24½	1.12	95	106
Corn—No. 3 Yellow .....	.85½	.91½	.82	94	104
Oats—No. 3 White .....	.43	.44	.41½	98	104
Barley—No. 3 .....	.59	.58	.59	102	100
Rye—No. 2 .....	.95	.97	.99	98	96
Flax—No. 1	3.25½	3.30½	2.32¾	98	140
Wholesale Produce Prices—					
Butter .....	.40	.42½	.48	94	83
Milk	2.42	2.50	2.60	97	93
Hens—4½ Pounds .....	.17½	.20	.19½	88	90
Eggs .....	.41½	.37¼	.35	111	119
Potatoes	1.50	1.50	.60	100	250

COMPARATIVE STATISTICS OF BUSINESS IN THE NINTH FEDERAL RESERVE DISTRICT
(Continued)

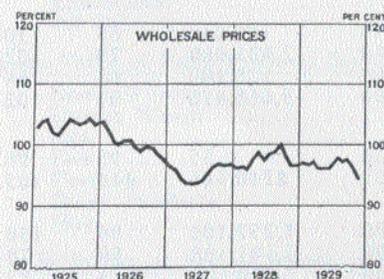
	Unit	Nov., 1929	Oct., 1929	Nov., 1928	%Nov. 1929 of Oct. 1929	%Nov. 1929 of Nov. 1928
Livestock Receipts at South St. Paul—						
Cattle	Head	97,476	123,905	90,060	79	108
Calves	Head	44,373	52,748	47,346	84	94
Hogs	Head	381,343	325,533	305,248	117	125
Sheep	Head	197,371	297,447	158,842	66	124
Median Livestock Prices at South St. Paul—						
Butcher Cows	Cwt.	\$7.00	\$7.50	\$8.25	93	85
Butcher Steers	Cwt.	10.50	11.00	10.75	95	98
Prime Butcher Steers	Cwt.	14.50	14.15	14.00	102	104
Stocker and Feeder Steers	Cwt.	8.50	8.75	9.00	97	95
Veal Calves	Cwt.	12.50	13.00	13.00	96	96
Hogs	Cwt.	8.90	9.40	8.65	95	103
Heavy Hogs	Cwt.	8.00	8.00	8.25	100	97
Lambs	Cwt.	12.00	12.00	12.75	100	94
Ewes	Cwt.	4.00	4.00	6.00	100	67
Flour—						
Production—Twin Cities and Duluth-Superior	Bbls.	843,568	1,018,099	1,083,767	83	78
Shipments from Minneapolis	Bbls.	912,252	1,058,276	900,374	86	101
Linseed Products Shipments from Minneapolis—	Lbs.	25,909,117	44,173,701	45,090,101	59	57
Retail Sales—						
Department Stores		\$2,608,740	\$2,512,810	\$2,524,440	104	103
Furniture Stores		472,720	662,830	551,930	71	86
Country Lumber Yards	Bd. Ft.	11,913,000	18,211,000	14,918,000	65	80
Retail Merchandise Stocks—						
Department Stores		\$6,255,080	\$6,270,720	\$6,952,170	100	90
Furniture Stores		2,702,680	2,613,030	2,808,000	103	96
Country Lumber Yards	Bd. Ft.	73,334,000	77,919,000	75,810,000	94	97
Life Insurance Sales—(4 States)		\$25,531,000	\$27,207,000	\$22,924,000	94	111
Wholesale Trade—						
Farm Implements		156,790	184,840	120,440	85	130
Hardware		2,376,630	3,005,810	2,321,000	79	102
Shoes		441,290	649,160	528,100	68	84
Groceries		5,152,620	5,690,700	5,068,470	91	102
Business Failures—						
Number		53	56	55	95	96
Liabilities		\$743,042	\$666,709	\$710,546	111	105
Securities Sold—						
To Banks		1,709,600	1,774,200	1,257,100	96	136
To Insurance Companies		864,000	1,467,100	1,101,100	59	78
To General Public		5,262,400	6,682,200	6,050,600	79	87
Real Estate Activity in						
Hennepin and Ramsey Counties—						
Warranty Deeds Recorded		1795	1910	2005	94	90
Mortgages Recorded		1435	1754	1552	82	94
Member Bank Deposits—						
In Cities under 15,000 Population		\$450,533,000	\$454,572,000	\$478,867,000	99	94
In Cities over 15,000 Population		464,055,000	462,144,000	494,704,000	100	94
					%Dec. 1929 of Nov. 1929	%Dec. 1929 of Dec. 1928
City Member Banks—						
Loans Secured by Stocks and Bonds		\$ 84,897,000	\$ 90,331,000	\$ 77,764,000	94	109
All Other Loans		186,367,000	192,885,000	186,092,000	97	100
Securities		121,349,000	120,928,000	133,210,000	100	91
Net Demand Deposits Subject to Reserve		235,219,000	237,860,000	229,947,000	99	102
Time Deposits		128,921,000	129,115,000	137,398,000	100	94
Borrowings at Federal Reserve Bank		12,516,000	21,271,000	3,809,000	59	329
Minneapolis Federal Reserve Bank—						
Bills Discounted		15,813,851	24,969,422	7,348,151	63	215
Federal Reserve Notes in Circulation		65,869,090	66,913,955	65,093,830	98	101



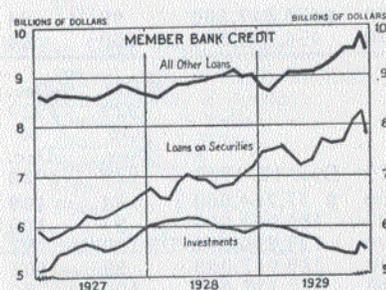
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average = 100). Latest figure, November, 107.



Index numbers of factory employment and payrolls, without adjustment for seasonal variations (1923-25 average = 100). Latest figures, November, employment 98.2, payrolls 102.



Index of United States Bureau of Labor Statistics (1926 = 100, base adopted by Bureau). Latest figure, November, 94.4.



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first two weeks in December.

Summary of National Business Conditions (Compiled December 20 by Federal Reserve Board)

Industrial production declined in November for the fifth consecutive month and was below the level of last year. Retail sales at department stores continued in larger volume than a year ago. Wholesale commodity prices moved downward in November and the first half of December.

PRODUCTION AND EMPLOYMENT: Production in basic industries decreased by 9 per cent in November, according to the Board's index, and was 5 per cent lower than a year ago. The decline in production, which began in mid-summer, was restricted prior to November largely to industries in which the expansion during the earlier part of the year had been exceptionally rapid, particularly iron and steel, automobiles and related industries. The same industries showed the largest reductions in November, but there were declines also in the copper, cotton and wool textiles and shoe industries, and in a smaller degree in silk textiles and coal. Production of crude petroleum was also curtailed. The volume of building contracts awarded during the month continued to be considerably smaller than in the corresponding period of 1928.

Employment in factories was also reduced during November to a level slightly below a year ago, and there was a somewhat larger decrease in factory payrolls. The decline in employment since mid-summer, however, has been relatively smaller than that in the physical volume of production. Employment was in smaller volume than in November a year ago in the automobile, iron and steel, lumber and rubber products industries, and larger in the machinery, textiles, paper and printing, leather and chemical industries.

DISTRIBUTION: Distribution of commodities, as measured by freight carloadings, was in smaller volume in November than in October, reflecting larger than seasonal decreases in most classes of freight. Miscellaneous freight in less-than-carload lots, however, which includes chiefly commodities for retail trade, showed the usual seasonal change. Department store sales in leading cities during the month were about 1 per cent larger than last year according to preliminary reports. Increased sales were reported in four agricultural districts—Richmond, Kansas City, Dallas and San Francisco. In certain of the large industrial districts—Boston, New York and Cleveland—sales were approximately the same as in November 1928.

WHOLESALE PRICES: Wholesale prices were at a lower level in November than in October, and continued to decline during the first half of December. The downward movement, which had previously involved principally commodities with organized exchanges, became general during the latter part of the period.

BANK CREDIT: Liquidation of bank credit, which had begun early in November, continued throughout that month and the first two weeks of December, and on December 11 total loans and investments of reporting member banks were at about the same level as on October 23, prior to the increase caused by the withdrawal of funds by non-banking lenders. At member banks in New York City, loans were somewhat larger and investments were considerably larger on December 11 than on October 23, while at reporting banks outside New York, loans on securities, all other loans and investments were smaller than on that date. Reserve bank credit outstanding was also reduced during November and the first two weeks of December, largely in consequence of reduction in balances of member banks at the Reserve banks, which accompanied the liquidation of member bank credit. The decrease in reserve balances released reserve funds in more than sufficient volume to meet the export demand for gold amounting to \$65,000,000 during the period, as well as the seasonal currency requirements. Between November 6 and December 18, United States' security holdings of the Reserve banks increased considerably, while their holdings of acceptances declined somewhat, and there was a reduction of \$250,000,000 in the indebtedness of member banks. Money rates in the open market continued to decline and the discount rate, which had previously been reduced at five Reserve banks, was lowered at the Kansas City bank from 5 to 4½ per cent.